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DEPT PASS TO CEQ FOR E.LADT AND A.SCHMITZ
ENERGY DEPARTMENT FOR S.EULE - CLIMATE CHANGE PROGRAM

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SUBJECT: BRAZIL: WASHINGTON SEPT. 27-28 MEETING ON CLIMATE CHANGE

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11. (U) THIS CABLE IS SENSITIVE BUT UNCLASSIFIED AND NOT FOR
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12. (SBU) SUMMARY. Brazil will certainly attend the September 27-28
meeting in Washington on climate change. It appears the Ambassador
Everton Vargas, the Under Secretary for Policy in the Ministry of
Exterior Relations, will head the delegation. Comment. The
Brazilians seem wary, preferring to see climate change negotiations
under the auspices of the United Nations (UN), and they are likely
to promote their proposal for financial rewards for voluntary
reductions in deforestation rates. END COMMENT AND SUMMARY.

13. (SBU) On August 6, Post delivered the invitation letter from
President Bush to President Lula for the September 27-28 meeting in
Washington of representatives of major economies to discuss energy
security and climate change. (REFTEL C) On August 22, Embassy's
Environment, Science, Technology and Health (ESTH) Counselor and
Political Counselor delivered the points in REFTEL B (as well as
background information from REFTEL D), which urged support of the
Government of Brazil's (GOB) active and high-level participation at
the meeting, to Benedicto Fonseca Filho and Alexandre Kotzias
Peixoto, Advisors in the Cabinet of the Minister of Exterior
Relations (MRE), and also to the MRE's Director General for the
Ministry of External Relations Environmental and Special Affairs,
Min. Luiz Figueiredo Machado, and the Head of the Division of
Environmental Policy and Sustainable Development, Counselor Raphael
Azeredo. On August 31, ESTH Counselor delivered the matrices with
guidance on their completion from REFTEL A to Figueiredo Machado and
Azeredo, who are the focal points within the GOB for climate change
issues. On September 11, ESTH Counselor delivered the revised
agenda and the points in REFTEL H to Peixoto, Fonseca, Figueiredo
Machado and Azeredo.

DELEGATION COMPOSITION

14. (SBU) On September 4, Figueiredo Machado informed visiting OES
Assistant Secretary Claudia McMurray and ESTH Counselor that the
Brazilian delegation would most likely be headed by the MRE's Under
Secretary for Policy, Amb. Everton Vargas. He said the rest of the

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delegation was still being put together, and he wasn't sure if he
would be attending or not. In order to participate effectively,
Figueiredo Machaco told Esth Counselor that the GOB would send a

delegation "capable of collaborating," which perhaps would include members of the Ministry of Science and Technology. At a separate meeting on August 28 with Dr. Thelma Krug, the Head of the Ministry of Environment's Climate Change Office, she told ESTH Counselor that she would be going. (Comment. We would expect Dr. Krug to attend, however, the MRE jealously guards its prerogative on putting the delegation together and has not yet confirmed her participation. End Comment.)

15. (SBU) COMMENT. Amb. Vargas is a pivotal figure within the GOB on climate change. He has been active in setting Brazil's environmental policies as far back as the 1992 Rio conference. Vargas is knowledgeable on the subject and he leads the MRE - which is the dominant player within the GOB on these issues - with regard to climate change. END COMMENT.

BRAZILIAN PRELIMINARY VIEWS

16. (SBU) The GOB will certainly attend the meeting, but without much enthusiasm and plenty of wariness. Entering into this uncharted series of meetings, they have been quick to highlight some of their key positions on climate change. The GOB wants to keep the climate change negotiations under the familiar auspices of the UN Framework Convention on Climate Change (UNFCCC). Figueiredo Machado characterized the Washington meeting as a chance to "reflect" on current climate change measures and achievements and the future of the UNFCCC. In a similar vein, the Vice Minister of Environment, Joao Paulo Capobianco told the press on September 4 that the United States plays a fundamental role in the question of climate change and, therefore, Brazil would attend the Washington meeting. However, Capobianco stressed that Brasil the matter must be decided through a UN process." Two other principles Figueiredo Machado emphasized were that (1) there must be a balance among environmental, economic and social factors, and (2) one size does not fit all and there will need to be "common but differentiated responsibilities." These views dovetail with those expressed by the Brazilians to the August 27-31 Vienna climate change talks reported

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in REFTEL G.

17. (SBU) One theme that we expect the GOB to raise at the Washington meeting and other climate change fora is the proposal for financial rewards for voluntary reductions in deforestation rate. Post reported in REFTEL F about this proposal, which Brazil submitted to the UNFCCC in late 2006. More recently, Brazil has reported further reductions in the deforestation rate (REFTEL E). In light of these developments, Foreign Minister Celso Amorim has announced to the Brazilian Congress and to the press that Brazil would now get off the defensive on climate change and get on the offensive. (REFTEL E) COMMENT. Post expects we will hear much more about this proposal from the GOB as the debate over a post-Kyoto Protocol agreement proceeds. END COMMENT.

18. (U) In an interview published on September 9 in O Estado de Sao Paulo, Environment Minister Marina Silva made several points that may reflect the GOB position in Washington. She emphasized that the United States, Europe and the world recognized the key role Brazil plays in any negotiations on climate change. Further, she stated that Brazil is the defender of the concept "common, but differentiated responsibilities". Regarding climate change negotiations, she said that Brazil has a firm position: "developed countries must assume and comply with targets, while developing countries, although not having to assume mandatory targets, have to assume responsibilities and commitments."

ADDITIONAL CONCERNS AND QUESTIONS

19. (SBU) The Foreign Minister's Cabinet and Figueiredo Machado were both somewhat perplexed by the presence of Council on Environmental Quality (CEQ) Chairman Jim Connaughton as head of the U.S. delegation and were wondering about Secretary Rice's role. ESTH Counselor and POL Counselor explained the significance of CEQ, which is part of the White House and has both a domestic and international role. On a different matter, the GOB interlocutors worried about the role of private sector and NGOs at this meeting: how would they

be selected; if and when would they be allowed to speak; and, what role is envisioned for them in the process. COMMENT. The MRE has long been cautious of NGOs participation in governmental discussions, and this is no exception. END COMMENT.

¶10. (SBU) COMMENT. The GOB may question its ranking as one of the top emitters, which is largely due to the release of carbon connected with ongoing deforestation. Krug from the Environment Minister told ESTH Counselor that Brazil disputes the way the Intergovernmental Panel on Climate Change (IPCC) calculates its emissions. She asserts that if forests in Brazil were properly considered Brazil would drop out of the ranks of the top emitters. She even asserted that Brazil will be at zero emissions in the near future, due primarily to Brazil's clean energy grid and its ability to offset emission via carbon credits gained through forest management policies. Some Brazilian states, such as Amazonas, already have enjoyed some success with policies to reward businesses and communities for avoided deforestation. The GOB hopes that its compensated deforestation reduction plan could have a similar effect at the national level with an eye toward addressing global climate change. END COMMENT.

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